



Pierce County Council

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Failed at the

05-07-2019
Council Meeting

Council Amendment No. 10
Proposed Ordinance No. 2019-10s
Cherry

Date: May 2, 2019
To: Councilmembers
From: Connie Ladenburg, Council District No.4
Hearing Date: May 7, 2019
Attachments: None
Subject: Proposed Amendment to Ordinance No. 2019-10s – Ground Lease Chambers Bay Resort

The following amendment to Exhibit A would prohibit long-term residential use within Chambers Creek Regional park. Golf villa units would be required to convert to daily rate use within 10-years from their initial occupancy.

- 1. Starting on page 52 of Exhibit A, amend Section 18.05 as shown below:

18.05 It is acknowledged by both the Landlord and Tenant that the highest and best use for the hotel and golf villa units is daily rental rate use. As the Project matures it is both parties desire to maximize daily rate use as the primary use. It is also acknowledged by both parties that market conditions for daily and monthly rate units will fluctuate over the Term of this Lease. Flexibility of use will create a sustainable resort that can adapt to market conditions and maximize the return and minimize the risk to both Landlord and Tenant. Accordingly, Tenant shall at all times act diligently and use all proper and reasonable efforts consistent with good business practice, in such manner as to maximize the Gross Revenue of Tenant and hence the Percentage Rent payable to Landlord. Conversion of villa units from monthly rentals to daily rate use is a priority and shall occur no later than ten (10) years from their initial occupancy. However, conversion may occur sooner will be based on a combination of occupancy, daily rates, net operating income, advance reservation projections and market capitalization rate differentials for hotel and monthly rentals. On September 30 of each year during the Term of this Lease, Tenant will deliver to Landlord for its approval, such approval not to be unreasonably withheld or delayed, its conversion plan for the coming year based on occupancy rate and projected value of the respective rental rates.

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